

## GROUP DISABILITY INCOME POLICY

Sponsor: Sodexho Operations LLC

Policy Number: GD3/GF3-810-252576-01

Effective Date: January 1, 2005

Governing Jurisdiction is Maryland and subject to the laws of that State.

Premiums are due and payable monthly on the first day of each month.

Policy Anniversaries shall occur each January 1st beginning in 2006.

Liberty Life Assurance Company of Boston (hereinafter referred to as Liberty) agrees to pay the benefits provided by this policy in accordance with its provisions. This policy provides Short Term Disability and Long Term Disability coverage(s).

**PLEASE READ THIS POLICY CAREFULLY FOR FULL DETAILS.**

This policy is a legal contract and is issued in consideration of the Application of the Sponsor, a copy of which is attached, and of the payment of premiums by the Sponsor.

For purposes of this policy, the Sponsor acts on its own behalf or as the Covered Person's agent. Under no circumstances will the Sponsor be deemed the agent of Liberty.

This policy is delivered in and governed by the laws of the governing jurisdiction and to the extent applicable by The Employee Retirement Income Security Act of 1974 (ERISA) and any subsequent amendments.

The following pages including any amendments, riders or endorsements are a part of this policy.

Signed at Liberty's Home Office, 175 Berkeley Street, Boston, Massachusetts, 02117.

NON-PARTICIPATING

Form ADOP

**EXHIBIT**

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## SECTION 1 - SCHEDULE OF BENEFITS

### ELIGIBILITY REQUIREMENTS FOR INSURANCE BENEFITS

#### Minimum Hourly Requirement:

Applicable to Class 1: Employees working a minimum of 20 regularly scheduled hours per week

Applicable to Class 2: Employees working a minimum of 30 regularly scheduled hours per week for 6 or more weeks out of each quarter

#### Short Term Disability Benefits:

Class 1: All Domestic Employees who are eligible for salaried benefits and are covered under the Sodexo Operations LLC Long Term Disability policy.

Note: temporary and seasonal Employees and Employees who are not United States citizens or legal residents working in the United States are not covered under this policy

#### Long Term Disability Benefits:

Class 1: All Domestic Employees who are eligible for salaried benefits.

Class 2: All Non- Exempt/Hourly Employees.

Note: temporary and seasonal Employees and Employees who are not United States citizens or legal residents working in the United States are not covered under this policy

#### Eligibility Waiting Period:

##### Applicable to Class 1 Employees:

1. If the Covered Person is employed by the Sponsor on the policy effective date - The Employee has 45 days from the date of hire to enroll. Coverage will become effective on the Saturday following the call to elect coverage.
2. If the Covered Person begins employment for the Sponsor after the policy effective date - The Employee has 45 days from the date of hire to enroll. Coverage will become effective on the Saturday following the call to elect coverage.

##### Applicable to Class 2 Employees:

1. If the Covered Person is employed by the Sponsor on the policy effective date - First of the month following 90 days of continuous, Active Employment.
2. If the Covered Person begins employment for the Sponsor after the policy effective date - First of the month following 90 days of continuous, Active Employment.

#### Employee Contributions Required:

Short Term Disability Benefits: Yes

Long Term Disability Benefits: Yes

## SECTION 1 - SCHEDULE OF BENEFITS

(Continued)

### Name of Associated Companies:

SDH Services West LLC	SDH Education West LLC	Corporate Food Services
10 Earhart Drive	10 Earhart Drive	10 Earhart Drive
Williamsville, NY 14221	Williamsville, NY 14221	Williamsville, NY 14221

### SHORT TERM DISABILITY COVERAGE

#### Elimination Period:

The period for which a benefit is payable will commence following:

Class 1: 7 calendar days for Injury  
7 calendar days for Sickness

Note: Benefits will begin on the first day following the completion of the Elimination Period.

#### Amount of Insurance:

50% of Basic Weekly Earnings not to exceed a Maximum Weekly Benefit of \$2,884.62 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

#### Maximum Benefit Period:

#### Applicable to Injury:

The period for which a benefit is payable, following completion of the Elimination Period, for any one Disability will end on the earliest of:

- a. the end of the Disability; or
- b. the end of the 23<sup>rd</sup> day of Disability for which a benefit is payable.

#### Applicable to Sickness:

The period for which a benefit is payable, following completion of the Elimination Period, for any one Disability will end on the earliest of:

- a. the end of the Disability; or
- b. the end of the 23<sup>rd</sup> day of Disability for which a benefit is payable.

**SECTION 1 - SCHEDULE OF BENEFITS**  
(Continued)

**LONG TERM DISABILITY COVERAGE**

**Elimination Period:**

Class 1: The greater of:

- a. the end of the Covered Person's Short Term Disability Benefits; or
- b. 30 days.

Class 2: The greater of:

- a. the end of the Covered Person's Short Term Disability Benefits; or
- b. 180 days.

**Amount of Insurance:**

Class 1: 60% of Basic Monthly Earnings not to exceed a Maximum Monthly Benefit of \$15,000 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

Class 2: 50% of Basic Monthly Earnings not to exceed a Maximum Monthly Benefit of \$2,000 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

**Maximum Basic Monthly Earnings on which the Benefit is Based:**

Class 1: \$25,000

Class 2: \$4,000

**Own Occupation Duration:**

24 Month Own Occupation

**SECTION 1 - SCHEDULE OF BENEFITS**  
(Continued)

**LONG TERM DISABILITY COVERAGE (Continued)**

**Minimum Monthly Benefit:**

There is no Minimum Monthly Benefit included in this policy.

**Maximum Benefit Period:**

<u>Age at Disability</u>	<u>Maximum Benefit Period</u>
Less than age 60.....	to age 65
60 - 64.....	5 years
65 - 69.....	To age 70 (but not less than 1 year)
70 and over.....	1 year

## SECTION 2 - DEFINITIONS

In this section Liberty defines some basic terms needed to understand this policy. The male pronoun whenever used in this policy includes the female.

"Active Employment" means the Employee must be actively at work for the Sponsor:

1. on a full-time basis and paid regular earnings;
2. for at least the minimum number of hours shown in the Schedule of Benefits; and either perform such work:
  - a. at the Sponsor's usual place of business; or
  - b. at a location to which the Sponsor's business requires the Employee to travel.

An Employee will be considered actively at work if he was actually at work on the day immediately preceding:

1. a weekend (except where one or both of these days are scheduled work days);
2. holidays (except when the holiday is a scheduled work day);
3. paid vacations;
4. any non-scheduled work day;
5. an excused leave of absence (except medical leave for the Covered Person's own disabling condition and lay-off); and
6. an emergency leave of absence (except emergency medical leave for the Covered Person's own disabling condition).

"Administrative Office" means Liberty Life Assurance Company of Boston, 9 Riverside Road, Weston, MA 02493.

"Annual Enrollment Period" or "Enrollment Period" means the period before each policy anniversary so designated by the Sponsor and Liberty during which an Employee may enroll for coverage under this policy.

"Any Occupation" means any occupation that the Covered Person is or becomes reasonably fitted by training, education, experience, age, physical and mental capacity.

"Application" is the document designated in Section 9; it is attached to and is made a part of this policy.

"Appropriate Available Treatment" means care or services which are:

1. generally acknowledged by Physicians to cure, correct, limit, treat or manage the disabling condition;
2. accessible within the Covered Person's geographical region;
3. provided by a Physician who is licensed and qualified in a discipline suitable to treat the disabling Injury or Sickness;
4. in accordance with generally accepted medical standards of practice.

## SECTION 2 - DEFINITIONS

(Continued)

**Annual Earnings:** Applicable to Salaried Associates receiving commission-based pay:

"Basic Weekly Earnings" means 1/52 of the Covered Person's annual base salary. Annual base salary\* for the purpose of calculating plan benefits may be determined by one of the following methods:

1. annual base salary only;
2. annual base salary plus commissions from a prior 12 period to be determined by the workplace;
3. the greater of annual base salary or prior calendar year's commission.

\*Refer to the definition of annual salary captioned under "Applicable to All other Employees".

**Annual Earnings :** Applicable to all other Employees:

"Basic Weekly Earnings" means 1/52 of the Covered Person's annual base salary. Annual base salary is calculated at the primary rate of pay converted to an hourly rate (rate 1 in the Marriott payroll system times 2080). This amount does not change if the actual number of hours worked per week varies or the actual pay is based on a rate other than the primary rate. It does not include overtime , premium, bonus, incentive or commission pay.

"Covered Person" means an Employee insured under this policy.

"Disability" or "Disabled", with respect to Short Term Disability, means the Covered Person, as a result of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Job.

"Disability" or "Disabled", with respect to Long Term Disability, means:

1. For persons other than pilots, co-pilots, and crewmembers of an aircraft:
  - i. if the Covered Person is eligible for the 24 Month Own Occupation benefit, "Disability" or "Disabled" means that during the Elimination Period and the next 24 months of Disability the Covered Person, as a result of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Occupation; and
  - ii. thereafter, the Covered Person is unable to perform, with reasonable continuity, the Material and Substantial Duties of Any Occupation.
2. With respect to Covered Persons employed as pilots, co-pilots and crewmembers of an aircraft:

"Disability" or "Disabled" means as of a result of Injury or Sickness: (a) the Covered Person cannot perform the material and substantial duties of his own occupation; and (b) after benefits have been paid for 12 months, the Covered Person is unable to perform the Material and Substantial Duties of Any Occupation.



## SECTION 2 - DEFINITIONS

(Continued)

"Disability Benefits under a Retirement Plan" means money which:

1. is payable under a Retirement Plan due to Disability as defined in that plan; and
2. does not reduce the amount of money which would have been paid as retirement benefits at the normal retirement age under the plan if the Disability had not occurred. (If the payment does cause such a reduction, it will be deemed a Retirement Benefit as defined in this policy.)

"Eligibility Date" means the date an Employee becomes eligible for insurance under this policy. Eligibility Requirements are shown in the Schedule of Benefits.

"Eligible Survivor" means the Covered Person's spouse, if living, otherwise the Covered Person's children under age 25.

"Eligibility Waiting Period" means the continuous length of time an Employee must be in Active Employment in an eligible class to reach his Eligibility Date.

"Elimination Period", with respect to Short Term Disability, means a period of consecutive days of Disability for which no benefit is payable. The Elimination Period is shown in the Schedule of Benefits and begins on the first day of Disability.

"Elimination Period", with respect to Long Term Disability, means a period of consecutive days of Disability or Partial Disability for which no benefit is payable. The Elimination Period is shown in the Schedule of Benefits and begins on the first day of Disability.

### Applicable to Long Term Disability Class 1

If the Covered Person returns to work for any seven or fewer days during the Elimination Period and cannot continue, Liberty will count only those days the Covered Person is Disabled or Partially Disabled to satisfy the Elimination Period.

### Applicable to Class 2

If the Covered Person returns to work for any thirty or fewer days during the Elimination Period and cannot continue, Liberty will count only those days the Covered Person is Disabled or Partially Disabled to satisfy the Elimination Period.

"Employee" means a person in Active Employment with the Sponsor.

"Enrollment Form" is the document completed by the Covered Person, if required, when enrolling for coverage. This form must be satisfactory to Liberty.

"Evidence of Insurability" means a statement of proof of an Employee's medical history upon which acceptance for insurance will be determined by Liberty.

## SECTION 2 - DEFINITIONS

(Continued)

"Extended Treatment Plan" means continued care that is consistent with the American Psychiatric Association's standard principles of Treatment, and is in lieu of confinement in a Hospital or Institution. It must be approved in writing by a Physician.

"Family and Medical Leave" means a leave of absence for the birth, adoption or foster care of a child, or for the care of the Covered Person's child, spouse or parent or for the Covered Person's own serious health condition as those terms are defined by the Federal Family and Medical Leave Act of 1993 (FMLA) and any amendments, or by applicable state law.

"Family Status Change" means any one of the following events that may occur:

1. the Employee's marriage or divorce;
2. the birth of a child to the Employee;
3. the adoption of a child by the Employee;
4. the death of the Employee's spouse or child;
5. the commencement or termination of employment of the Employee's spouse;
6. the change from part-time employment to full-time employment by the Employee or the Employee's spouse;
7. the change from full-time employment to part-time employment by the Employee or the Employee's spouse;
8. the taking of unpaid leave of absence by the Employee or the Employee's spouse.

"Gross Monthly Benefit" means the Covered Person's Monthly Benefit before any reduction for Other Income Benefits and Other Income Earnings.

"Gross Weekly Benefit" means the Covered Person's Weekly Benefit before any reduction for Other Income Benefits and Other Income Earnings.

"Hospital" or "Institution" means a facility licensed to provide Treatment for the condition causing the Covered Person's Disability.

"Initial Enrollment Period" means one of the following periods during which an Employee may first enroll for coverage under this policy:

1. for an Employee who is eligible for insurance on the policy effective date, a period before the policy effective date set by the Sponsor and Liberty.
2. for an Employee who becomes eligible for insurance after the policy effective date, the period which ends 31 days after his Eligibility Date.

"Injury" means bodily impairment resulting directly from an accident and independently of all other causes. For the purpose of determining benefits under this policy any Disability which begins more than 60 days after an Injury will be considered a Sickness for purposes of determining benefits under this policy.

## SECTION 2 - DEFINITIONS

(Continued)

"Material and Substantial Duties", with respect to Short Term Disability, means responsibilities that are normally required to perform the Covered Person's Own Job and cannot be reasonably eliminated or modified.

"Material and Substantial Duties", with respect to Long Term Disability, means during the Elimination Period and Maximum Own Occupation Period, the responsibilities that are normally required to perform the Covered Person's Own Occupation and cannot be reasonably eliminated or modified.

After the Maximum Own Occupation period, "Material and Substantial Duties", with respect to Long Term Disability, means responsibilities that are normally required to perform the Covered Person's Own Occupation, or any other occupation, and cannot be reasonably eliminated or modified.

"Mental Illness" means a psychiatric or psychological condition classified as such in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) regardless of the underlying cause of the Mental Illness. If the DSM is discontinued, Liberty will use the replacement chosen or published by the American Psychiatric Association.

"Monthly Benefit", with respect to Long Term Disability, means the monthly amount payable by Liberty to the Disabled or Partially Disabled Covered Person.

"Own Job", with respect to Short Term Disability, means the Covered Person's job that he was performing when his Disability began.

"Own Occupation", with respect to Long Term Disability, means the Covered Person's employment, business, trade or profession involving Material and Substantial Duties of the same general character as his regular and ordinary employment he was performing when his Disability or Partial Disability began. The Covered Person's Own Occupation is not limited to his job with his Employer.

"Partial Disability" or "Partially Disabled", with respect to Long Term Disability, means the Covered Person, as a result of Injury or Sickness, is able to:

1. perform one or more, but not all, of the Material and Substantial Duties of his Own Occupation or Any Occupation on an Active Employment or a part-time basis; or
2. perform all of the Material and Substantial Duties of his Own Occupation or Any Occupation on a part-time basis; and
3. earn between 20% and 80% of his Basic Monthly Earnings.

## SECTION 2 - DEFINITIONS

(Continued)

"Physician" means a person who:

1. is licensed to practice medicine and is practicing within the terms of his license; or
2. is a licensed practitioner of the healing arts in a category specifically favored under the health insurance laws of the State where the Treatment is received and is practicing within the terms of his license.

"Physician" does not mean the Covered Person or his spouse, daughter, son, father, mother, sister or brother or domestic partner.

"Proof" means written proof covering the occurrence, the character and the extent of the loss for which the claim is made. This may include:

1. a claim form completed and signed (or otherwise formally submitted) by the Covered Person claiming benefits;
2. an attending Physician's statement completed and signed (or otherwise formally submitted) by the Covered Person's attending Physician; and
3. the provision by the attending Physician of standard diagnosis, chart notes, lab findings, test results, x-rays and/or other forms of objective medical evidence in support of a claim for benefits.

"Regular Attendance" means the Covered Person's personal visits to a Physician which are medically necessary according to generally accepted medical standards to effectively manage and treat the Covered Person's Disability or Partial Disability}.

"Retirement Benefit under a Retirement Plan" means money which:

1. is payable under a Retirement Plan either in a lump sum or in the form of periodic payments;
2. does not represent contributions made by an Employee (payments which represent Employee contributions are deemed to be received over the Employee's expected remaining life regardless of when such payments are actually received); and
3. is payable upon:
  - a. early or normal retirement; or
  - b. Disability, if the payment does reduce the amount of money which would have been paid under the plan at the normal retirement age.

## SECTION 2 - DEFINITIONS

(Continued)

"Retirement Plan" means a plan which provides retirement benefits to Employees and which is not funded wholly by Employee contributions. The term shall not include a profit-sharing plan, informal salary continuation plan, registered retirement savings plan, stock ownership plan, 401(K) or a non-qualified plan of deferred compensation.

"Schedule of Benefits" means the section of this policy which shows, among other things, the Eligibility Requirements, Eligibility Waiting Period, Elimination Period, Amount of Insurance, Minimum Benefit, and Maximum Benefit Period.

"Sickness" means illness, disease, pregnancy or complications of pregnancy.

"Sponsor" means the entity to whom this policy is issued.

"Sponsor's Retirement Plan" is deemed to include any Retirement Plan:

1. which is part of any Federal, State, Municipal or Association retirement system; or
2. for which the Employee is eligible as a result of employment with the Sponsor.

"Substance Abuse" means alcohol and/or drug abuse, addiction or dependency.

"Treatment" means consulting, receiving care or services provided by or under the direction of a Physician including diagnostic measures, being prescribed drugs and/or medicines, whether the Covered Person chooses to take them or not, and taking drugs and/or medicines.

"Weekly Benefit", with respect to Short Term Disability, means the weekly amount payable by Liberty to the Disabled Covered Person.

## SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

### Eligibility Requirements for Insurance Benefits

The Eligibility Requirements for Insurance Benefits are shown in the Schedule of Benefits.

### Eligibility Date for Insurance Benefits

An Employee in an eligible class will qualify for insurance on the later of:

1. this policy's effective date; or
2. the day after the Employee completes the Eligibility Waiting Period shown in the Schedule of Benefits.

### Initial Enrollment Period

During the Initial Enrollment Period an Employee can enroll in any one coverage or coverage option shown in the Schedule of Benefits. If he does not choose any coverage or coverage option, he will not be enrolled for any coverage. If an Employee's Initial Enrollment Period takes place during or after the Annual Enrollment Period, but before the policy anniversary his coverage option will apply for (a) the rest of the policy year in which he first becomes eligible; and (b) the next policy year.

### Annual Enrollment Period

During each Annual Enrollment Period, a Covered Person may keep his coverage at the same level or make one of the following changes in coverage for the next policy year:

1. a decrease in coverage;
2. an increase in coverage subject to Evidence of Insurability.

If a Covered Person fails to enroll for a change in his coverage option during any Annual Enrollment Period he will continue to be insured for the same coverage option during the next policy year and no change in that coverage can be made during the next policy year.

### SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES (Continued)

#### Effective Date of Insurance

Insurance will be effective at 12:01 A.M. Standard Time in the governing jurisdiction on the day determined as follows, but only if the Employee's application or enrollment for insurance is made with Liberty through the Sponsor in a form or format satisfactory to Liberty.

1. For Coverage Applied for During Initial Enrollment Periods:

- a. an Employee will be insured on the date the Employee makes application for insurance if he enrolls on or before the 31st day after his Eligibility Date; or
- b. an Employee who does not enroll on or before the 31st day after his Eligibility Date, or terminated his insurance while continuing to be eligible may not enroll for coverage until the next Annual Enrollment.

2. For Contributory Coverage Applied for During Annual Enrollment Periods

An Employee will be insured for the selected contributory coverage on the later of these dates:

- a. the first day of the next policy anniversary; or
- b. the date Liberty gives its approval, if the Employee:
  - i. increases his coverage option; or
  - ii. terminated his insurance while continuing to be eligible.

In the case of i. and ii. above, the Employee must submit an application and Evidence of Insurability to Liberty for approval. This will be at the Employee's expense.

#### Delayed Effective Date for Insurance

The effective date of any initial, increased or additional insurance will be delayed for an individual if he is not in Active Employment because of his Injury or Sickness. The initial, increased or additional insurance will begin on the date the individual returns to Active Employment.

### SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES (Continued)

#### Family and Medical Leave

An Employee's coverage may be continued under this policy for an approved family or medical leave of absence for up to 12 weeks following the date coverage would have terminated, subject to the following:

1. the authorized leave is in writing;
2. the required premium is paid;
3. the Covered Person's benefit level, or the amount of earnings upon which the Covered Person's benefit may be based, will be that in effect on the date before said leave begins; and
4. continuation of coverage will cease immediately if any one of the following events should occur:
  - a. the Covered Person returns to work;
  - b. this group insurance policy terminates;
  - c. the Covered Person is no longer in an eligible class;
  - d. nonpayment of premium when due by the Sponsor or the Covered Person;
  - e. the Covered Person's employment terminates.

#### Rehire Terms

If a former Employee is re-hired by the Sponsor within 3 months of his termination date, all past periods of Active Employment with the Sponsor will be used in determining the re-hired Employee's Eligibility Date. If a former Employee is re-hired by the Sponsor more than 3 months after his termination date, he is considered to be a new Employee when determining his Eligibility Date.

If a former Employee is re-hired by the Sponsor more than 3 months after his termination date, he is considered to be a new Employee when determining his Eligibility Date.



### SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES (Continued)

#### Leave of Absence

The Sponsor may continue the Covered Person's coverage(s) by paying the required premiums, if the Covered Person is given a leave of absence.

The Covered Person's coverage will not continue beyond the end of the policy month following the policy month in which the leave of absence begins. In continuing such coverage under this provision, the Sponsor agrees to treat all Covered Persons equally.

#### Lay-off

The Sponsor may continue the Covered Person's coverage(s) by paying the required premiums, if the Covered Person is temporarily laid off.

The Covered Person's coverage will not continue beyond the end of the policy month in which the lay-off begins. In continuing such coverage under this provision, the Sponsor agrees to treat all Covered Persons equally.

#### Associated Companies

Companies, corporations, firms or individuals that are subsidiary to, or affiliated with, the Sponsor will be called Associated Companies. The Associated Companies, if any, are listed in the Schedule of Benefits. Employees of Associated Companies will be considered Employees of the Sponsor for purposes of this policy.

As they relate to this policy, all actions, agreements and notices between Liberty and the Sponsor will be binding on the Associated Companies.

If an Associated Company ceases to be an Associated Company for any reason, its Employees will be deemed to have transferred to a class of Employees not eligible for coverage under this policy.

### SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES (Continued)

#### Transfer Provision

In order to prevent loss of coverage for an individual because of transfer of insurance carriers, this policy will provide coverage for certain individuals as follows:

#### Failure to be In Active Employment Due to Injury or Sickness:

Subject to premium payments, this policy will cover individuals who:

1. at the time of transfer are covered under the prior carrier's policy; and
2. are not in Active Employment due to Injury or Sickness on the effective date of this policy.

Benefits will be determined based on the lesser of:

1. the amount of the Disability benefit that would have been payable under the prior policy and subject to any applicable policy limitations; or
2. the amount of Disability benefits payable under this policy. If benefits are payable under the prior policy for the Disability, no benefits are payable under this policy.

#### Disability Due to a Pre-Existing Condition

If an individual was insured under the prior carrier's policy at the time of transfer and was in Active Employment and insured under this policy on its effective date, benefits may be payable for a Disability due to a Pre-Existing Condition.

If the individual can satisfy this policy's Pre-Existing Condition Exclusion, the benefit will be determined according to this policy.

If the individual cannot satisfy this policy's Pre-Existing Condition Exclusion, then:

1. Liberty will apply the Pre-Existing Condition Exclusion of the prior carrier's policy and;
2. if the individual would have satisfied the prior carrier's pre-existing condition exclusion, giving consideration towards continuous time coverage under this policy and the prior carrier's policy, the benefit will be determined according to this policy. However, the Maximum Monthly Benefit amount payable under this policy shall not exceed the maximum monthly benefit payable under the prior carrier's policy.

No benefit will be paid if the individual cannot satisfy the Pre-Existing Condition Exclusions of either policy.

## SECTION 4 - DISABILITY INCOME BENEFITS

### SHORT TERM DISABILITY COVERAGE

#### Disability Benefit

When Liberty receives Proof that a Covered Person is Disabled due to Injury or Sickness and requires the Regular Attendance of a Physician, Liberty will pay the Covered Person a Weekly Benefit after the end of the Elimination Period, subject to any other provisions of this policy. The benefit will be paid for the period of Disability if the Covered Person gives to Liberty Proof of continued:

1. Disability;
2. Regular Attendance of a Physician; and
3. Appropriate Available Treatment.

The Proof must be given upon Liberty's request and at the Covered Person's expense. In determining whether the Covered Person is Disabled, Liberty will not consider employment factors including, but not limited to, interpersonal conflict in the workplace, recession, job obsolescence, paycuts, job sharing and loss of a professional or occupational license or certification.

For purposes of determining Disability, and Disability must begin while the Employee is insured for this coverage.

The Weekly Benefit will not:

1. exceed the Covered Person's Amount of Insurance; or
2. be paid for longer than the Maximum Benefit Period.

The Amount of Insurance and the Maximum Benefit Period are shown in the Schedule of Benefits.

#### Amount of Disability Weekly Benefit

To figure the amount of Weekly Benefit:

1. Take the lesser of:
  - a. the Covered Person's Basic Weekly Earnings multiplied by the benefit percentage shown in the Schedule of Benefits; or
  - b. the Maximum Weekly Benefit shown in the Schedule of Benefits; and then
2. Deduct Other Income Benefits and Other Income Earnings, (shown in the Other Income Benefits and Other Income Earnings provision of this policy), from this amount.

## SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

### SHORT TERM DISABILITY COVERAGE (Continued)

#### Other Income Benefits and Other Income Earnings

##### Other Income Benefits means:

1. The amount for which the Covered Person is eligible under:
  - a. any benefit payable under Workers' or Workmen's Compensation law;
  - b. any other governmental program or coverage required or provided by statute (including any amount attributable to the Covered Person's family) other than motor vehicle insurance.
2. any amount the Covered Person receives from any unemployment benefits; or

##### Other Income Earnings means:

1. any amount the Covered Person receives from any formal or informal sick leave or salary continuation plan(s); and
2. the amount of earnings the Covered Person earns or receives from any form of employment including severance.

Other Income Benefits, except retirement benefits, must be payable as a result of the same Disability for which Liberty pays a benefit. The sum of Other Income Benefits and Other Income Earnings will be deducted in accordance with the provisions of this policy.

## SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

### SHORT TERM DISABILITY COVERAGE (Continued)

#### Estimation of Benefits

Liberty will reduce the Covered Person's Disability benefits by the amount of Other Income Benefits that we estimate are payable to the Covered Person.

The Covered Person's Disability benefit will not be reduced by the estimated amount of Other Income Benefits if the Covered Person:

1. provides satisfactory proof of application for Other Income Benefits;
2. signs a reimbursement agreement under which, in part, the Covered Person agrees to repay Liberty for any overpayment resulting from the award or receipt of Other Income Benefits;
3. if applicable, provides satisfactory proof that all appeals for Other Income Benefits have been made on a timely basis to the highest administrative level unless Liberty determines that further appeals are not likely to succeed; and
4. if applicable, submits satisfactory proof that Other Income Benefits have been denied at the highest administrative level unless Liberty determines that further appeals are not likely to succeed.

In the event that Liberty overestimates the amount payable to the Covered Person from any plans referred to in the Other Income Benefits and Other Income Earnings provision of this policy, Liberty will reimburse the Covered Person for such amount upon receipt of written proof of the amount of Other Income Benefits awarded (whether by compromise, settlement, award or judgement) or denied (after appeal through the highest administrative level).

## SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

### SHORT TERM DISABILITY COVERAGE (Continued)

#### Lump Sum Payments

Other Income Benefits from a compromise, settlement, award or judgement which are paid to the Covered Person in a lump sum and meant to compensate the Covered Person for any one or more of the following:

1. loss of past or future wages;
2. impaired earnings capacity;
3. lessened ability to compete in the open labor market;
4. any degree of permanent impairment; and
5. any degree of loss of bodily function or capacity;

will be prorated on a weekly basis as follows:

1. over the period of time such benefits would have been paid if not in a lump sum; or
2. if such period of time cannot be determined, over a period of 260 weeks.

#### Protection of Weekly Benefit Amount

After the first deduction for each of the Other Income Benefits, the Weekly Benefit will not be further reduced due to any cost of living increases payable under the Other Income Benefits provision of this policy. However, after the first deduction for Social Security payments, the Weekly Benefit will not be further reduced for any type of increase in Social Security payments, cost of living or otherwise.

#### Prorated Benefits

For any period for which a Short Term Disability benefit is payable that does not extend through a full week, the benefit will be paid on a prorated basis. The rate will be 1/7th for each day for such period of Disability.

#### Discontinuation of the Short Term Disability Benefit

The Weekly Benefit will cease on the earliest of:

1. the date the Covered Person fails to provide Proof of continued Disability and Regular Attendance of a Physician;
2. the date the Covered Person fails to cooperate in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due;

**SECTION 4 - DISABILITY INCOME BENEFITS**  
(Continued)

**SHORT TERM DISABILITY COVERAGE (Continued)**

**Discontinuation of the Short Term Disability Benefit (Continued)**

The Weekly Benefit will cease on the earliest of: (Continued)

3. the date the Covered Person refuses to be examined or evaluated at reasonable intervals;
4. the date the Covered Person refuses to receive Appropriate Available Treatment;
5. the date the Covered Person refuses a job with the Sponsor where workplace modifications or accommodations were made to allow the Covered Person to perform the Material and Substantial Duties of the job;
6. the date the Covered Person is no longer Disabled according to this policy;
7. the end of the Maximum Benefit Period; or
8. the date the Covered Person dies.

## SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

### SHORT TERM DISABILITY COVERAGE (Continued)

#### Successive Periods of Disability

With respect to this policy, "Successive Periods of Disability" means a Disability which is related or due to the same cause(s) as a prior Disability for which a Weekly Benefit was payable.

A Successive Period of Disability will be treated as part of the prior Disability if, after receiving Disability benefits under this policy, a Covered Person:

1. returns to his Own Job on an Active Employment basis for less than one continuous week; and
2. performs all the Material and Substantial duties of his Own Job.

Benefit payments will be subject to the terms of this policy for the prior Disability.

If a Covered Person returns to his Own Job on an Active Employment basis for one continuous week or more, the Successive Period of Disability will be treated as a new period of Disability. The Covered Person must complete another Elimination Period and will be subject to a new Maximum Benefit Period.

If a Covered Person becomes covered under any other group short term disability coverage that became effective after his Disability began, this Successive Periods of Disability provision will cease to apply to that Covered Person.